

SUMMARY APPRAISAL REPORT

of

314 West Main Street
Stoughton, Wisconsin

Client: Attorney Matthew P. Dregne
Stafford Rosenbaum LLP
222 West Washington Avenue, Suite 900
Madison, Wisconsin 53701-1784

Appraisers: Lauri J. Maldonis
Wisconsin Certified General Appraiser #1044

Linn A. Duesterbeck, MAI
Wisconsin Certified General Appraiser #4

Appraisal #: 10-019

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PART ONE INTRODUCTION

LETTER OF TRANSMITTAL

March 1, 2010

Attorney Matthew P. Dregne
Stafford Rosenbaum LLP
222 West Washington Avenue, Suite 900
Madison, Wisconsin 53701-1784

Re: Appraisal to determine compensation due to the property owner for a complete fee acquisition of 314 W. Main Street, Stoughton, WI.

Dear Attorney Dregne,

In fulfillment of our agreement as outlined in the letter of engagement dated January 21, 2010, we are pleased to transmit herewith a Summary Appraisal Report of our opinion of compensation due to the property owner for the referenced parcel of real estate as of February 24, 2010. The report sets forth our value conclusion, along with supporting data and reasoning which form the basis of our opinion.

This appraisal was prepared in accordance with the intended use and with the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Foundation, and the Wisconsin Department of Regulation and Licensing and in conformity with appropriate Wisconsin Statutes, Regulations, Policies and Procedures applicable to the appraisal of parcels for various easements and acquisitions for private or public improvement projects.

The reported opinion of compensation due is qualified by certain definitions, limiting conditions and certifications which are set forth in Part One of this report. Further, it is based on the extraordinary assumptions identified in this report.

This report was prepared for and our professional fee billed to you. It is intended for use by yourself and the City of Stoughton. We understand and agree that the property owner will also receive a copy of this appraisal report. It may not be distributed to or relied upon by other persons or entities without our written permission.

As a result of our analysis, we have formed an opinion that the total compensation due to the property owner as a result of a full fee acquisition of the subject property as of February 24, 2010, was,

One Hundred Sixty-Nine Thousand Dollars (\$169,000).

Our opinion of total compensation due is based on the following extraordinary assumptions:

- 1) The City of Stoughton represents a typical purchaser of the subject property.*
- 2) The out-of-pocket costs for building and site improvement demolition, underground storage tank removal, soil testing and future remediation does not exceed \$6,000.*
- 3) The physical information for the subject site and the improvements as reported to us by others is true and correct.*
- 4) The costs estimates for building demolition, tank removal, soil testing and remediation as provided to us from Lynn Bradley, General Engineering Company are accurate.*

THIS LETTER MUST REMAIN ATTACHED TO THE REPORT, WHICH CONTAINS 42 PAGES PLUS RELATED EXHIBITS, IN ORDER FOR THE VALUE OPINION SET FORTH TO BE CONSIDERED VALID.

Respectfully submitted,



Lauri J. Maldonis
Wisconsin Certified General Appraiser #1044



Linn A. Dueterbeck, MAI
Wisconsin Certified General Appraiser #4

LJM /LAD:lm/jm

CERTIFICATION OF VALUE

To the best of our knowledge and belief, the statements contained in the appraisal are true and the information, upon which the opinions expressed herein are based, is correct, subject to the limiting conditions herein set forth.

This appraisal has been made in conformity with appropriate Wisconsin Statutes, Regulations, Policies and Procedures applicable to the appraisal of parcels for various easements and acquisitions for private or public improvement projects. To the best of our knowledge, no portion of the opinion of compensation concluded in this appraisal report consists of items which are non-compensable under Wisconsin laws.

The statements contained in this report are true and correct. The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analysis, opinions and conclusions.

We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

The Appraisers have not performed any services regarding the subject property within the three year period immediately preceding acceptance of the assignment, as appraisers or in any other capacity.

Neither our compensation nor our employment are contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.

Any decrease or increase in the market value of the real property prior to the date of the valuation caused by the proposed private improvement for which this property is to be acquired, or by the likelihood that this property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, was disregarded in determining compensation for this property.

Our analysis, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice and the "Relocation Assistance and Real Property Acquisition Policy Act of 1970".

No one provided significant professional assistance to us in making this report. We have not revealed the findings and results of this appraisal to anyone other than the proper officials of the acquiring agency and we will not do so until authorized by said officials, or until we are required to do so by due process of law, or until we are released from this obligation by having publicly testified as to such findings.

We have not given consideration to nor included in this appraisal any relocation assistance benefits.

On February 16, 2010, two letters were sent via certified mail. One was sent to ABP Properties LLC at 6621 39th Avenue, Kenosha, Wisconsin 53142 and one was sent to Kusum Bhardwaj, Registered Agent, ABP Properties LLC at 8120 75th Street, #10, Kenosha, Wisconsin 53142. We requested permission to access the subject property for a physical inspection of the site, site improvements and building as well as requested their presence during the inspection. As of February 24, 2010, receipts of the letters had not been returned to us. We tracked the mailings and found that the letter sent to ABP Properties LLC at 6621 39th Avenue, Kenosha, Wisconsin was not deliverable. There was no one present to accept the letter sent to Kusum Bhardwaj, Registered Agent, ABP Properties LLC at 8120 75th Street, #10, Kenosha, Wisconsin. A message was left at that address; however no one has retrieved the letter to date. We have no telephone number to contact the representative of the owner.

We have therefore inspected the subject from the street perimeters. The property was viewed on February 4, 2010 and again on February 24, 2010. This provided an exterior view of the front and partial side elevations of the building improvements. We have also made a field inspection of the sales relied upon in making this appraisal. The subject property and sales relied upon in making this appraisal are as represented in this appraisal.

As a result of our analysis, we have formed an opinion that the total compensation due to the property owner as a result of a full fee acquisition of the subject property as of February 24, 2010, was,

One Hundred Sixty-Nine Thousand Dollars (\$169,000).

Our opinion of total compensation due is based on the following extraordinary assumptions:

- 1) The City of Stoughton represents a typical purchaser of the subject property.***
- 2) The out-of-pocket costs for building and site improvement demolition, underground storage tank removal, soil testing and future remediation does not exceed \$6,000.***
- 3) The physical information for the subject site and the improvements as reported to us by others is true and correct.***
- 4) The costs estimates for building demolition, tank removal, soil testing and remediation as provided to us from Lynn Bradley, General Engineering Company are accurate.***

Date: March 1, 2010



Lauri J. Maldonis
Wisconsin Certified
General Appraiser #1044



Linn A. Dueterbeck, MAI
Wisconsin Certified
General Appraiser #4

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SUMMARY OF IMPORTANT CONCLUSIONS

Level of Report Provided:	Summary Appraisal Report
Property Appraised:	314 West Main Street, Stoughton, Wisconsin
Subject Property Owner:	ABP Properties, LLC
Addresses for Subject Owner:	ABP Properties LLC 6621 39 th Avenue Kenosha, Wisconsin 53142 Kusum Bhardwaj Registered Agent, ABP Properties LLC 8120 75 th Street, #10 Kenosha, Wisconsin 53142
Appraisal Purpose and Intended Use:	To form an opinion of the market value of the fee simple estate of the real estate only as outlined in the report, with the intended use for possible acquisition of the subject property.
Extraordinary Assumptions:	<ol style="list-style-type: none">1) The City of Stoughton represents a typical purchaser of the subject property.2) The out-of-pocket costs for building and site improvement demolition, underground storage tank removal, soil testing and future remediation does not exceed \$6,000.3) The physical information for the subject site and the improvements as reported to us by others is true and correct.4) The costs estimates for building demolition, tank removal, soil testing and remediation as provided to us from Lynn Bradley, General Engineering Company are accurate.
Date of Appraisal Report:	March 1, 2010
Effective Date of Appraisal:	February 24, 2010
Site Size:	17,844 square feet or 0.40 acre
Improvements:	A vacant convenience store building containing about 1006 square feet which was constructed 1969. Other site improvements include a canopy containing about 1632 square feet, paved parking areas, drives, service walks and landscaping. All underground fuel equipment is still in place.
Zoning:	PB (Planned Business)
Highest and Best Use as if Vacant:	Commercial use
Highest and Best Use as if Improved:	Redevelopment with a commercial use
Area and Interest to be Acquired:	Full fee acquisition of the subject property
Total Compensation Due:	\$169,000

PART TWO

PREMISES OF THE APPRAISAL

TYPE OF APPRAISAL AND REPORT FORMAT

An inspection and appraisal were made of the real estate owned by ABP Properties LLC located 314 West Main Street, Stoughton, Wisconsin which is the location of a former Marathon gas station and convenience store.

The appraisal otherwise complies with all USPAP standards unless superseded by State and Federal laws, rules or regulations as stated in this appraisal report. The appraisers have provided a Summary Appraisal Report, as defined in USPAP (Standard 2-2,b).

ASSUMPTIONS AND LIMITING CONDITIONS

The certification of the Appraisers appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraisers in the report.

1. The Appraisers assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor do the Appraisers render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraisers have made no survey of the property.
3. The Appraisers are not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made therefore.
4. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. The Appraisers assume that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraisers assume no responsibility for such conditions, or for engineering which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the Appraisers, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the Appraisers can be assumed by the Appraisers.

7. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraisers are affiliated.
8. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraisers, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraisers are connected), shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by same, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency, or instrumentality of the United States or any state or the District of Columbia, without the previous written consent of the Appraisers; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraisers.
9. On all appraisals subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.
10. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea formaldehyde foam insulation, and/or existence of toxic waste, which may or may not be present on the property, has not been considered. The Appraisers are not qualified to detect such substances. We urge the client to retain an expert in this field if desired.
11. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event.
12. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The Appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the Appraisers have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to provide an opinion of the total compensation awardable to the owner of the subject property for the full fee acquisition of the real property rights as of February 24, 2010.

Our opinion of total compensation due is based on several extraordinary assumptions which are identified on Page 5.

For the purpose and intended use of the appraisal, market value is being considered as required by Section 32.09 Wisconsin Statutes which states that compensation shall be based on market value. The definition of "market value" as utilized in the appraisal was taken from Section 32.09 Wisconsin Statutes which is consistent with the 2010-11 edition of USPAP.

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

JURISDICTIONAL EXCEPTION

As discussed, the purpose of the appraisal is to provide an opinion of market value to aid the client in the determination of appropriate compensation due to the property owner for a full fee acquisition of the subject property as part of a proposed redevelopment project that will include the subject site and adjacent parcels.

In conducting appraisals for public acquisitions in Wisconsin we are required to comply not only with the Uniform Standards of Professional Appraisal Practice (USPAP) but also with the overriding authority of State and Federal laws including the "Relocation Assistance and Real Property Acquisition Policy Act of 1970" and appropriate Wisconsin Statutes, Regulations, Policies and Procedures applicable to the appraisal of right of way.

The appraisal is therefore completed under the Jurisdictional Exception rule in which the proposed private redevelopment project is not considered in the valuation process. Jurisdictional exception is defined by USPAP as "an assignment condition that voids the force of a part of parts of USPAP, when compliance with part of parts of USPAP is contrary to law or public policy applicable to the assignment."

In this case Standards Rule 1-4 (f) of USPAP is affected. This standards rule states that "when analyzing anticipated public or private improvements, located on or off the site, an appraiser must analyze the effect on value, if any; of such anticipated improvements to the extent they are reflected in market conditions." This standards rule is therefore considered void as it is superseded by State and Federal regulations essentially stating that any increase or decrease in market value to real property caused by a public or private improvement for which such real property is being acquired may not be taken into account in determining just compensation for the acquired property.

EXTRAORDINARY ASSUMPTION

This is defined as, "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinion or conclusions."

Our opinion of total compensation due is based on the following extraordinary assumptions:

- 1) the City of Stoughton represents a typical purchaser of the subject property,
- 2) the out-of-pocket costs for building and site improvement demolition, underground storage tank removal, soil testing and future remediation does not exceed \$6,000.
- 3) the physical information for the subject site and the improvements as reported to us by others is true and correct,
- 4) the costs estimates for building demolition, tank removal, soil testing and remediation as provided to us from Lynn Bradley, General Engineering Company are accurate.

INTENDED USER AND INTENDED USE OF THE APPRAISAL

The intended user of the appraisal is Attorney Matthew P. Dregne, Stafford and Rosenbaum LLP and the City of Stoughton. We also understand and agree that the owner of the subject property or a representative of the owner will be provided a copy of this appraisal report.

This appraisal is intended to assist the client, Attorney Matthew P. Dregne, Stafford and Rosenbaum LLP and the City of Stoughton, in forming an opinion of compensation awardable to the subject property owner resulting from a full fee acquisition of the subject property.

PROPERTY RIGHTS APPRAISED

The real property rights appraised are fee simple estate.

Fee simple estate is defined from The Dictionary of Real Estate Appraisal, Fifth Edition, as:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

APPRAISER COMPETENCY DISCLOSURE

The Competency Rule of USPAP states that an appraiser must describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report. Linn A. Duesterbeck, MAI, has had extensive experience in the appraisal of various use commercial facilities including vacant land and improved sites of various commercial uses. This also includes substantial experience in the immediate geographical area of the subject. This also includes the valuation of both typical and atypical properties over the last 37 years including sites which have known environmental contamination. Linn A. Duesterbeck has had educational training with regard to appraising contaminated properties. Lauri J. Maldonis has also had 14 years experience in the appraisal of various use commercial facilities including vacant land and improved sites of various commercial uses. This also includes sites which have known environmental contamination. Furthermore, the appraisers' qualifications are included in this report.

The following section, Scope of Work, describes the steps taken by the appraisers to complete the assignment competently.

SCOPE OF WORK

The scope of work during the appraisal process encompasses the necessary research and analysis to prepare a Summary Appraisal Report, in accordance with the intended use and with the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Foundation, and the Wisconsin Department of Regulation and Licensing, as of February 24, 2010. In accordance with such, the following steps were taken.

- 1) The subject property was inspected on February 4, 2010 and February 24, 2010 from the street perimeters only with appropriate photographs taken which are found in the report. We attempted to contact the owner of the subject property and a representative of the owner via two certified letters. One letter was undeliverable to the address we were provided and the other was not retrieved by the representative of the owner. As a result, we did not access the subject property for a physical inspection. The viewing of the subject site from the street perimeters provided a reasonably accurate view of the site however an inspection of the building improvements was not able to be made other than what could be seen from this distance. We have relied on information provided to us from City of Stoughton officials, from Lynn Bradley and other representatives of General Engineering Company who have completed inspections of the subject building in the past and the underground tank inspection supervisor for this region. As noted, the appraisal is being made subject to the physical information for the subject site and the improvements provided being true and correct.
- 2) The area was examined and surrounding uses and condition of contiguous properties and uses were considered.
- 3) Regional, city, county and neighborhood data was gathered and retrieved from the City of Stoughton and Dane County and utilized along with assorted data gathered by L. A. Duesterbeck & Associates, Inc. over the last several years.
- 4) The highest and best use for the subject property was determined after an analysis was made of data compiled in the steps noted above with consideration given to the subject property as unimpaired and as impaired. In addition, a study of the real estate market in the subject area was made to help determine the economic use of the subject.
- 5) Approaches to value were developed from the cost, income and market data utilized in the report; collected from the files of L. A. Duesterbeck & Associates, Inc. and Linn A. Duesterbeck, MAI, a Wisconsin Certified General Appraiser; from interviews with local property managers, realtors and other persons knowledgeable of the subject property market; and from the governmental offices of the applicable municipality.
- 6) After assembling and analyzing the data defined in this scope of the work, an opinion of the market value of the fee simple estate of the real estate only was made understanding however that there is fueling equipment in place on the subject property including underground fuel storage tanks, piping and a canopy. No additional equipment or personal property of the owner is addressed in this appraisal.
- 7) The appraiser determined the owner of record of the subject property as ABP Properties LLC and provided a three year sales history for the subject property, as of February 24, 2010.
- 8) Determined the present use of the subject property as an abandoned gas station and convenience store reported to us as vacant for a period of at least five years, but as many as eight years.

PART THREE

PRESENTATION OF DATA

PROPERTY IDENTIFICATION

The subject property is the vacant gas station and convenience store located at 314 West Main Street, Stoughton, Wisconsin, which is further described by the legal description included in Addendum C of this report.

AREA ANALYSIS

Stoughton is located in Dane County in south central Wisconsin, 15 miles southeast of the capital city of Madison. Other cities and their proximities are: Janesville - 22 miles south; Milwaukee - 70 miles east; and Chicago, Illinois - 100 miles south.

The population estimate for the City of Stoughton for 2009 was 12,840; a 4% increase from 2000 and 45% increase since 1990.

Stoughton has a reasonably strong industrial base which supports the economy for the community and surrounding area. The North and South Industrial Parks, as well as Business Park North are suited for future growth. They offer generally easy access to nearby interstate freeways, rail facilities and airports.

One of city's largest employers, Stoughton Trailers, competes on the national level in the truck semi-trailer market. B & G Foods-Ortega, in the North Industrial Park, manufactures a substantial number of the Ortega taco shells and Zalk Josephs Fabricators, LLC supplies steel construction materials to firms throughout the country.

Stoughton's Largest Employers Include:

Employer
Stoughton Area Schools
Stoughton Hospital Assn.
Skaalen Sunset Home
Stoughton Trailers
B & G Foods-Ortega
City of Stoughton

Employer
Nazareth Health & Rehabilitation
Cummins Filtration
Cummins Emissions Solutions
Millfab
Wal-Mart
Uniroyal Engineered

The unemployment rate was estimated at 5.4% for Dane County as of December 2009. This is significantly lower than the unemployment rate for the State of Wisconsin of 8.3% for the same time. The unemployment rates as of January 2009 were 4.9% for Dane County and 7.7% for the State of Wisconsin, respectively.

Other Stoughton statistics are summarized as follows:

<u>Population Statistics</u>	1990	2000	2008	2009
Total Stoughton Population:	8,786	12,354	12,865	12,840
Total Dane County Population:	367,085	426,526	471,559	473,622

Source: U.S. Census Bureau

Housing (2000)

Total Units:	4,890
Single-Family:	2,972
Multi-Family:	1,138

Source: U.S. Census Bureau, WI DOA, Dane Co. Regional Planning Commission

Unemployment * (Dane County)

Civilian Labor Force:	288,039
Unemployed:	15,581
Unemployment Rate:	5.4%
Employed:	272,458

*December 2009 estimates. Department of Workforce Development (DWD)

Income (2008)

Per Capita Income	\$27,631
Median Household Income	\$59,456

Transportation

U.S. Highway 51 traverses the City of Stoughton. Numerous local, state and federal highways such as Interstate 90/94 also serve the Stoughton area. Rail freight service is provided by the Wisconsin & Southern Railroad Company. Stoughton is served by the Dane County Regional Airport in Madison, as well as Mitchell Field in Milwaukee, and over nine trucking firms serve the Stoughton area.

Recreation

Stoughton has a variety of recreational opportunities including museums, shopping and many area parks including Lake Kegonsa State Park which offers camping, picnicking, hiking trails, boating, fishing, swimming, and winter sports. There are also three county parks and 14 city parks, many of which border the Yahara River as it winds its way through Stoughton.

Community Facilities

Government:	Mayor/council
Police:	26 personnel
Fire Department:	3 full-time personnel; 29 volunteers
Churches:	20+
Schools:	Elementary-4; Middle School-1; High School-1; Parochial Schools-4
Medical:	1 Hospital, 2 Clinics, 2 Nursing Homes, 3 Residential Extended Care Facilities
Newspaper:	1 Daily + 1 Weekly
Radio Stations:	Madison stations
Television Stations:	WSTO (local access cable TV);ABC,CBS,NBC,PBS,FOX (Madison)
Cable Television:	Charter Communications

Financial Institutions: 6
Garbage/Trash Disposal: Weekly by the City
Water: Stoughton Water Utility
Waste Water Treatment: City owned

Current Overall Market Conditions in Stoughton

Overall market conditions in Stoughton are stable to declining, similar to most other communities in southern Wisconsin. Close proximity to Madison makes Stoughton an affordable housing community and also benefits other markets, including industrial, with adequate access to Madison via U.S. Highway 51 and major transportation routes of the area.

The following table summarizes the number of building permits taken out for new residential construction since 2004.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Single-Family	43	39	16	15	5	1
Two-Family (Units)	8	4	10	6	6	0
Multi-Family (Units)	0	0	0	0	0	0

Source: SOCDS Building Permit Database

As indicated by the above building permit information, historically the majority of permits have been issued for single-family homes, however there has been a major decline in new residential construction since 2005, typical of southern Wisconsin and the nation as a whole. The former excessive use of creative subprime lending practices has resulted in increased foreclosures as some borrowers were not able afford mortgage payments once the very low adjustable rates reverted to market or higher rates or when the interest only loan payments expired. This, along with rising fuel and construction costs, caused a major downturn in demand for single-family residential housing nationwide and has affected Stoughton as well.

Six to twelve month marketing times are very typical for single-family residences as opposed to many homes selling in less than three months in prior years. Although opinions vary on the longevity of this sluggish residential market, no noticeable improvements are anticipated through 2010 as this slump could linger well into 2011.

The multi-family market has also felt the impact of the recession. Initially, the downturn in the single-family residential market resulted in improved occupancy for the multi-family market however more recently occupancy rates are slipping as unemployment is forcing some tenants to consolidate living arrangements or move back with family.

Most new commercial development which has occurred in the last 25 years is on the west side of the city along Highway 51 and northward to the city limits of Stoughton, about 2/3 mile north. Major commercial uses in this area include Wal-Mart, national fast food restaurants and auto dealerships. There were several vacant structures observed including a former fast food restaurant, former family restaurant, and an auto dealership all located along the main arterial.

New industrial development in Stoughton has been limited to small shop type uses within the Stoughton Business Park North. This park is a municipally sponsored park containing a total of about 60 acres and was developed in 1993 by the City of Stoughton. The land is within a tax incremental financing (TIF) district. Lots within the park range from about one to four acres in size. There are three sites totaling approximately five acres left for sale in the park. The asking price for the remaining land is \$23,500/acre. In addition, there is one privately owned site containing 1.31 acres available for sale with an asking price of \$96,900, or, \$73,969/acre.

Mortgage interest rates remain very reasonable and stable with good supplies. Conventional lenders are offering 80% fixed rate residential mortgages around 5-5.25% with 15-30 year terms and commercial rates of 6-7.25%, 20-25 year terms with five- year fixed rates common, depending upon level of risks. Commercial lending remains very tight with more scrutinized underwriting which has lead to more seller financing occurring to facilitate sales.

Prior to 2006-2007, there had been some expansion of all markets although primarily residential as a result of the proximity to Madison which is located about 15 minutes northwest of Stoughton. However, continued overall stable market conditions with very slow growth in residential and commercial real estate expected in the foreseeable future.

MARKETING AREA

The subject property is located on the northern fringe of the central business district (CBD) in Stoughton along the main arterial, Main Street, which traverses the CBD, generally west to east. The arterial is highly characterized by older, two-story, masonry buildings in use largely as retail uses on the first level and residential apartments on the upper levels.

There has been significant renovation and reclamation of many older buildings within the CBD over the last several years. This includes many small retail and service uses as well as a fine arts facility. Occupancy is quite high with few vacant areas or otherwise available for lease however there are six buildings currently offered for sale. The asking prices range from \$56/square foot to well over \$100/square foot.

Immediate surrounding uses to the subject include a Cenex gasoline and service station to the east; residential uses to the north; an office, single-family residences and a church to the south; and service uses to the south and west. Uses to the west are also mixed commercial and residential uses. Commercial uses include office and service type uses, and an older gas station/convenience store. There is one renovated, but vacant, office building located about one block east of the subject. Most residential uses in the subject's immediate area are older, two-story residences on small lots.

PROPERTY DESCRIPTION

Site

The site consists of an irregular shaped parcel, as shown in the plat map in the addenda, containing 17,844 square feet or 0.40 acres.

The subject site fronts West Main Street to the south and Prairie Street to the west. West Main Street is also US Highway 51 and is a primary arterial street in Stoughton. This is a two way, four lane, asphalt paved street with concrete curb and gutter which is moderately to heavily traveled. Sidewalks are present along West Main Street and street parking is not permitted in the area of the subject. The site has 167.50 feet fronting West Main Street with two access points, one at the east end of the site and one at the west end.

A 2006 traffic count map revealed traffic volumes of 14,700 vehicles per day traveling West Main Street in the area of the subject.

Prairie Street is a two way, two lane, asphalt paved street which is lightly traveled. The site borders Prairie Street to the west with about 66.32 feet of street frontage. There is one legal access from Prairie Street. Street parking is permitted along this street, but only to the north of the subject site. The site has good visibility from both fronting streets.

The topography of the site has an incline from the southeast to the northwest but is generally level on the south 2/3 of the site. The site is mostly clear of trees with the exception of a few trees along the north lot lines.

All public utilities are available and in place on the site including sanitary sewer, water, telephone, electricity and natural gas.

There is one easement for ingress/egress to a site immediately north of the subject site. The easement is 8.5 feet wide and located along the entire east lot line. Although the easement allows access to a detached garage building on the site to the north, the fact that it is located along the lot line lessens the adverse impact on value and/or marketability of the site. Although future zoning may not require side yard setbacks, the narrow width of the easement is within the existing side yard setback of 10 feet and does not restrict the site significantly. There is an additional easement within the same 8.5 foot wide easement which was implemented to address a minor building encroachment on the subject site. There is not a designated site area for the easement but it permits the building on the adjacent site to the east to protrude on the subject site 0.17 feet and the roof of that building to overhang onto the subject site 1.7 feet. This easement remains in effect as long as the building remains on the site to the east. Copies of the recorded easements for both easements affecting the subject site are included in the addenda of this report.

No other adverse easements or encroachments were observed on the subject property.

The subject property is located in Census Tract 122.02 in Stoughton, Dane County, Wisconsin.

None of the subject site area is located in a flood hazard zone. The flood map location is referenced by FEMA Community Panel Number 55025C0636G for Stoughton, Wisconsin, dated 1/2/2009.

Improvements

Building

The site is improved with a former convenience store building, which is a one-story, masonry structure containing 1006 square feet. The building was constructed in 1969. It has concrete block and brick exterior walls, angular roof design and what appears to be single-pane, storefront windows.

The building was vacated about between five and eight years ago and has not been occupied since. Although an interior inspection was not made by the appraisers, we were provided with interior photos for the subject property which show roof leaks, potential moisture issues and old interior finishes.

We also spoke with the tank inspection supervisor for the subject property who has been on the subject site recently and has familiarity with the building improvements as well as with the fueling equipment. The inspection supervisor, Mr. Eric Hummley, stated that significant renovation would be required to the building. Further, the design of the convenience store is antiquated and would not compete with newer convenience stores operating in Stoughton. He also stated that items have been cannibalized from the property since it has been vacant (including fill caps for the tanks).

Tanks

Two 8000 gallon, single-wall, coated steel tanks were installed in 1985 with leak detection systems. These tanks are still in place, but are empty. The tanks have been granted temporary closure however we were not able to confirm the date. It has been reported to us by the tank inspection supervisor for the subject site, Eric Hummley that this type of tank requires annual inspections for corrosion control. The last cathodic testing date was 9/20/04 and cathodic compliance expired 9/20/05. The permit to operate these tanks expired in July 2006. Per the tank inspection supervisor, the tanks must be tested before they could be utilized again. This will require an internal inspection which was reported to cost approximately \$10,000. Tank removal may be required based on the results of the testing.

The underground piping is single-wall fiberglass. There are six dispensers, all older models with no card readers.

Other Improvements

Area not covered by building consists of:

1. asphalt/concrete paved parking lot and drives,
2. concrete tank pad and service walks, and
3. some landscaping.

Site Contamination

The subject site has reported soil contamination from former leaking fuel tanks. The following bullet points summarize the information we do know with regard to the site contamination.

- Underground petroleum tanks were removed from the site since they did not meet code requirements effective December 1999.
- Soil and groundwater contamination resulting from petroleum hydrocarbons was found at that time. It was reported that there is contamination within the upper four feet of the subject soil.
- In September 2005, the Wisconsin Department of Natural Resources concluded that all items required as conditions for site closure were received and the site was listed as “closed” with the Department of Commerce.
- A soil restriction was however placed on the site which essentially stated that if petroleum affected soils are disturbed during construction, the contaminated soils must be removed and properly disposed of. We were provided with a cost estimate to remove and properly dispose of the upper four feet of soil within the known affected area on the subject site. This was reported at \$32,243. Please note however that the contamination is ***not contained to only 4-foot depth*** but actually extends to groundwater level. The cost to remove soils to a depth that would permit a basement in the affected area could exceed \$60,000 and does not include hauling in clean fill to replace soils removed.
- The subject site is not eligible for PECFA funds for remediation.
- A groundwater use management restriction has been placed on the site which will not permit a well to be drilled on the subject site. Since municipal water is available to the site, this has no measurable adverse affect on the value or the marketability of the site.
- We also know that the type of tank currently underground on the subject site is still known to leak. If increasing levels of contamination are found, additional remediation may be required and additional monitoring may be needed for at least one year. Although development would not necessarily be delayed for that monitoring time period, the buyer would be responsible for the costs associated with monitoring which could be as much as \$20,000, per Lynn Bradley with General Engineering Company in Portage, Wisconsin.

We also were informed that there is asbestos content in some of the building materials in the former convenience store building which will require proper removal and disposal. Lynn Bradley also provided us with a cost estimate for demolition of the building and site improvements, removal of tanks and soil testing which was reported to be about \$30,000.

Please note that all costs listed above are only estimates. We have however relied on this information for this appraisal and if found to be different than reported, our opinion of market value for the subject property could be impacted.

The following summarizes what we ***do not know*** with regard to contamination on the subject site.

- The full extent of the existing contamination is still speculative since additional leaching outside reported affected area may have occurred or that the soil testing completed may not provide accurate data for all areas of the site.
- We do not know if additional leaking has occurred from the existing tanks underground resulting in new contamination which would require remediation.
- The existing contamination may require some type of vapor extraction for construction of a building which may consist of a vapor barrier, venting or a complete vapor extraction system. Although Lynn Bradley with General Engineering Company stated that any required vapor extraction is likely to be minimal, this is based on the reported (known) contaminants and may be impacted by possible new contamination or may be impacted by actual findings once excavation of soils occurs. She stated that vapor extraction could cost as little as \$2000 to over \$100,000.

ZONING

The subject property is zoned PB (Planned Business) by the City of Stoughton which permits several commercial uses as principal land uses including offices, personal and professional services, indoor sales and services and indoor maintenance services. Several additional uses are permitted as conditional uses. The most recent use, a gas station and convenience store is permitted only via a conditional permit in PB zoning.

A list of permitted uses in PB zoning is found in Addendum D.

TAX AND ASSESSMENT DATA

The subject property is assessed by the City of Stoughton under tax parcel number 281/0511-082-0706-6 as follows.

Land	\$116,900
<u>Improvements</u>	<u>\$ 98,400</u>
Total	\$215,300

The above assessed value resulted in a 2009 real estate tax of \$4245.48. There are delinquent taxes for the subject property in the amount of \$15,147.29 as of February 24, 2010. The report provided by the Dane County Treasurer reflects four years of unpaid taxes.

Assessed values in the City of Stoughton were based upon approximately 98.08% of market value in 2009.

SALES HISTORY

As required under USPAP standards, an investigation was made to ascertain any sales history of the subject property for the last five years. There has been none. The current owners purchased the subject property in November 2000 from Speedway SuperAmerica LLC via a Special Warranty Deed. A copy of this deed is included in the addendum of this report which outlines an Exposure Restriction. The transfer fee equates to a recorded sale price of \$135,800 however language in the deed suggests a total purchase price of \$203,206. We were not able to confirm the exact sale price.

The Exposure Restriction states that the subject property cannot be used for residential purposes or purposes of child care, elderly care, nursing home, hospice, hotel, motel, dental or medical clinic, hospital, school, church or park. The restriction also states that any building constructed on the subject property shall be slab on grade with the top of the slab at or above the surface level. A well cannot be drilled on the subject site however monitoring or extraction wells related to contamination monitoring, testing or remediation can be drilled. If these restrictions are violated, the grantor cannot be held liable for claims, losses, judgments or costs that arise.

There were no other recorded sales of the subject property since November 2000. It does not appear as though the subject is currently offered for sale and a search of the Multiple Listing Service for Southern Wisconsin revealed no listing for the subject property, active or expired.

PART FOUR

ANALYSIS OF DATA AND CONCLUSIONS

HIGHEST AND BEST USE

The term "Highest and Best Use" as used in this report, is defined in The Dictionary of Real Estate Appraisal, Fifth Edition as: "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum profitability."

It is also that use which will yield the greatest net return over a given period of time. This use cannot be speculative, nor can it be contrary to existing regulatory ordinances unless there is the likelihood that these ordinances can be adjusted to accept the use. Highest and best use analysis requires consideration of both the highest and best use of the land as if vacant and available for development, as well as the highest and best use as improved with the existing improvements on the site. The four criteria aforementioned are now discussed.

HIGHEST AND BEST USE AS IF VACANT AS UNIMPAIRED BY CONTAMINATION

Physically Possible Uses: The subject site fronts West Main Street, also Highway 51, which is a main arterial street in Stoughton. The site is located on the west edge of the central business district and is bordered by commercial uses to the east, west and south. With traffic volume of about 14,700 vehicles per day along West Main Street in the area of the subject, a commercial use would conform best with surrounding uses and benefit greatest from the drive-by traffic.

Legally Permissible Uses: The local zoning ordinance specifies uses to which the site could be developed, as well as yard development requirements. Legally permitted uses would include several commercial uses. Further, conversations with City of Stoughton planning officials indicated that they would consider several uses including a mixed use with commercial and residential uses as well as potentially offer some flexibility with regard to setbacks requirements in order to maximally utilize the site. It is not likely that the site would be rezoned to allow all residential use.

Financially Feasible Uses: Based upon the following, a commercial use would be the most economically feasible use of the subject site.

<i>Use</i>	<i>Average Sale Price/SF</i>	<i>Equity Yield</i>	<i>Trend</i>
Residential	\$2.00 to \$5.00	5-7%	Down
Industrial	\$.50 to \$1.00	9-11%	Down
Commercial	\$6.00 to \$13.00	9-11%	Down

Even in the current slow economy, a commercial use would still provide the highest net return to the land. It should be noted that there will be cost associated with remediation of contaminated soils however the contamination will have to be dealt with regardless of the use of the site. Although the costs may vary somewhat based on the specific building that is constructed, a buyer for any use would encounter the same cost criteria and same risk levels. Considering such, a commercial use would still result in the highest net return to the land.

Most Profitable Use: Considering local market demand and site restrictions, it can be reasonably concluded that the highest land value would be generated by use of the site for a commercial use. The busy street location would support a fairly intensive use including retail, office and service uses requiring drive-by traffic.

Conclusion: Based on the above considerations, we believe the highest and best use of the site, as if vacant and available for development, is for commercial development.

HIGHEST AND BEST USE AS IMPROVED, BUT UNIMPAIRED BY CONTAMINATION

Physically Possible Uses: The subject property is currently improved with a convenience store building, canopy, underground fuel tanks and piping and site improvements related to the former use as a gas station and convenience store. The improvements have been vacant for 5-8 years and have had little, if any maintenance and upkeep. We were not able to physically inspect the interior of the convenience store building but were provided with a few interior photos which indicate roof leaks, missing and damaged ceiling tiles and moisture damage on walls.

The convenience store is smaller than typical for new stores and represents a model that is no longer constructed. Modern convenience stores have large store areas often providing deli-type food products, expanded beverage islands and ample cooler space. Further, the design of the fueling stations requires a line-up of cars which often results in a dispenser that cannot be used. A new fueling station design would likely be required for the facility to operate efficiently.

As discussed previously, tank inspection supervisor for the subject site, Eric Hummley, reported that this type of tank requires annual inspections for corrosion control. The last cathodic testing date was 9/20/04 and cathodic compliance expired 9/20/05. The permit to operate these tanks expired in July 2006. Per the tank inspection supervisor, the tanks must be tested before they could be utilized again. This will require an internal inspection which was reported to cost approximately \$10,000. Tank removal may be required based on the results of the testing. Mr. Hummley also stated that some equipment has been removed from the site such as fill caps.

It appears, based on conversations with persons familiar with the subject, that the condition and design features both warrant significant upgrades for a gas station and convenience store use. The existing improvements have negligible, if any, contributory value.

Legally Permissible Uses: The existing use as a convenience store and gas station is permitted under applicable zoning ordinances. The west side yard setback requirement is not met making the current use a non-conforming use.

Financially Feasible Uses: The existing building has been vacant for 5-8 years. We were not able to reach the owners to fully understand the reasons for closing operations.

We do know that there are four other gas station/convenience stores located within nine blocks of the subject property all along West Main Street, one other station located about ten blocks northeast along North Page Street and two other facilities in Stoughton. With a Cenex station located immediately east of the subject and another gas station located just three blocks west, it is unlikely that the subject would be reopened as a gas station and convenience store.

A way to determine whether a market is oversupplied or undersupplied is by using a location quotient analysis which measures the tendency for a particular type of business to locate in a geographic area. This method compares the ratio of a region's population with the number of specific business types which, of course is a gas station/convenience store for the subject property. In this case, we compared the population of the City of Stoughton, which is considered the subject's market area with the population of both Dane County and the US population. We made the same comparison with the number of convenience stores that sell fuel in Stoughton compared to the number of convenience stores that sell fuel in Dane County and the United States.

In Stoughton, there are seven operating convenience stores and gas stations or one per 1834 persons. If the subject were re-opened, the ratio would be one per 1605 persons. There are 184 convenience stores that sell fuel listed in "Yellowbook" in Dane County. The total Dane County population is about 473,622 indicating a ratio of one convenience store per 2574 people. The location quotient using Dane County statistics is 0.713.

There are a total of about 3800 convenience stores that sell fuel in Wisconsin indicating a ratio of one station per 1480 persons. The location quotient for Stoughton derived by these figures is 0.55.

Typically if a location quotient is less than 1.00 the subject market's population is insufficient to support the number of existing convenience store facilities. In either case, this analysis tends to indicate that Stoughton is not capable of supporting an additional convenience store and gas station.

Of course, other factors come into play when determining the viability of adding a gas station/convenience store such as proximity to interstate highways which would draw traffic more regionally or heavy tourist volume which would support greater demand. Although Stoughton has some tourism, there is not a major attraction that results in significant seasonal population changes and the central location in the city suggests that the market area is within the City of Stoughton.

Since major renovation would be needed to the store for it to compete with other convenience stores in the area and major upgrades to the fuel equipment to operate as a gas station (keeping in mind that the permit to operate has expired and testing would be required before the tanks could be utilized) and the market appears to be saturated or at least in equilibrium in terms of supply and demand, it does not appear as though continuation of a gas station and convenience store is a financially feasible use.

Most Profitable Use: In our opinion, the most profitable use is for redevelopment of the site with a commercial use other than a gas station and convenience store facility. Of course, this will require demolition of improvements and remediation of any soil contamination present on the site. Redevelopment of former gas station sites is not uncommon in the region.

Conclusion: Based upon the above considerations, we have concluded that the highest and best use of the property, as improved, is no longer the present use as a gas station and convenience store. The highest and best use of the property is concluded to be redevelopment of the site for a different commercial use that will complement surrounding uses, meet zoning requirements and benefit from the arterial street location.

HIGHEST AND BEST USE AS IMPAIRED

The site is reported to have soil and groundwater contamination. It has already been determined that the highest and best use as though unimpaired is for redevelopment with a commercial use other than a gas station and convenience store facility. Although remediation and other costs associated with redevelopment of the site could be excessive, the property has little utility in its current state. With a use which is no longer considered economically feasible in this immediate location and no viable alternative uses for the improvements as they currently exist, redevelopment is still considered the highest and best use as impaired. Remediation and development of contaminated sites, especially with commercial uses is not uncommon and predominantly occurs in busy commercial locations where vacant land is not readily available but population and traffic patterns produce demand for commercial uses.

Private investors are often not willing to undertake such a project unless the proposed new development is capable of generating enough income to cover the cost of remediation, risk associated with future liability and allowing for a reasonable return on their total investment. With smaller sites like the subject, where there is land available in other reasonably comparable locations, demand from private investors who are required to assume the liability of the environmental contamination is minimal or non-existent. Often, local municipalities are the only parties which are willing to undertake such a project since they have stronger potential to receive funding to assist with remediation and for exemption from liability.

The extent of remediation required, based on known contamination, is dependent upon the amount of soils disturbed in the construction process. It is likely that footings will be required for most buildings however a basement is not a common feature in new commercial construction, although basements have more appeal on smaller sites where building size is limited.

At only 17,844 square feet, the site cannot accommodate a large building allowing for on-site parking. Although underground parking may be desired, some surface parking will be required for a commercial use. Further, the shape impacts building size and placement as indicated previously. Although City of Stoughton planning officials have indicated that there may be some flexibility with setbacks, some front and west side setbacks will be required for optimal access to the site.

Considering the easement along the east lot line and the access points for the subject site, a building is unlikely to be constructed over the entire affected area. Further, surface parking for a structure is likely to be near the Main Street frontage or on the east side of the site which is likely to move the potential building site further from the affected area.

Still, we feel that the highest and best use for the subject site as impaired is redevelopment with a commercial use that minimizes the cost associated with remediation understanding that the market for such a project is very limited and the only way for such redevelopment to be financially feasible may be for collaboration with the local municipality.

VALUATION OF THE PROPERTY

The subject property has known contamination from former leaking underground storage tanks. Both appraisal methodology and interviews with market participants, including buyers and brokers, indicate that the accepted and proper way to value a site with known or perceived environmental contamination is to consider the market value of the property as though unimpaired then address any necessary discounting for the cost of remediation, risk and stigma.

The first step then is to value the subject site as though unimpaired. Based on the concluded highest and best use of the subject property, the investigation and appraisal give consideration to only the Direct Sales Comparison Approach since the valuation is essentially for land only.

The Direct Sales Comparison Approach used in this appraisal gives consideration to recent sales of similar sold and use parcels, which have sold or have been offered for sale in the open, competitive market considering what has already been determined to be the highest and best use of the subject property.

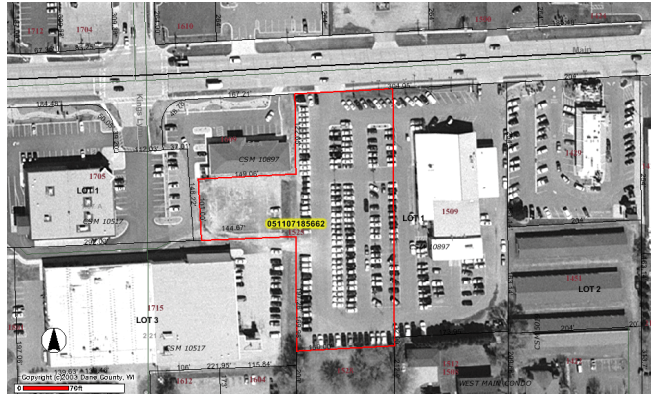
DIRECT SALES COMPARISON APPROACH TO VALUE

Land is valued as if vacant and available for use. Similar land recently sold or offered for sale is analyzed and comparisons are made for such factors as date of sale, conditions of sale, size, utility availability, infrastructure in place, topography, zoning, shape and location. Each sale is verified with a party to the transaction to further ascertain its validity and the actual recording document is located in the local courthouse.

Appropriate units of comparison are utilized for direct comparison with the subject property, such as sale price per square foot, front foot or a lump sum sale. The selected unit of comparison is based upon typical buyer behavior for the subject market.

Of the several sales and offerings considered in the market area of the subject, the following summarizes the most pertinent, along with an accompanying adjustment analysis relative to how each compares with the subject property. Please note that these are unimpaired sites.

LAND SALE NO. 1



Property Identification

Record ID	2455
Property Type	Commercial
Address	1525 US Highway 51 and State Highway 138, Stoughton, Dane County, WI
Locational Features	Arterial

Sale Data

Grantor	Beeandbee Investments Company, LLC
Grantee	Blackhawk Community Credit Union
Sale Date	November , 2009
Recording Document	4614719
Conditions of Sale	Cash to seller; no concessions
Conveyance	Warranty Deed
Verification	Representative of buyer

Sale Price	\$725,000
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Land Data

Zoning	PB
Topography	Level, clear
Utilities	In place
Shape	Irregular
Corner	No
Street Improvements	In place
Planned Use	Branch bank

Land Size Information

Gross Land Size	1.695 Acres, or 73,870 SF
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Indicators

Sale Price/Gross Acre	\$427,521
Sale Price/Gross SF	\$9.81

Remarks

Formerly part of Stark Auto. This site is the east parking lot area which was paved and included some parking lot lighting. The site is being developed with a new branch bank. The paving had little contributory value. There are cross easements for access with the parcel located immediately east of this site.

LAND SALE NO. 2



Property Identification

Record ID	2451
Property Type	Commercial
Address	917-1009 Nygaard Street, Stoughton, Dane County, WI
Locational Features	Near US Highway 51

Sale Data

Grantor	Sveum Enterprises LTD
Grantee	University of Wisconsin Medical Foundation Inc.
Sale Date	October, 2008
Recording Document	4476369
Conditions of Sale	Cash to seller; no concessions
Conveyance	Warranty Deed
Verification	Peter Sveum, seller

Sale Price	\$673,100
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Land Data

Zoning	B-2 (now PB)
Topography	Level, clear
Utilities	In place
Shape	Rectangular
Corner	Yes
Street Improvements	In place
Planned Use	Medical clinic

Land Size Information

Gross Land Size	1.818 Acres, or 79,182 SF
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Indicators

Sale Price/Gross Acre	\$370,289
Sale Price/Gross SF	\$8.50

Remarks

Site fronts the east side of Nygaard Street with limited visibility from US Highway 51.

LAND SALE NO. 3



Property Identification

Record ID	2452
Property Type	Commercial
Address	1300 Nygaard Street, Stoughton, Dane County, WI
Locational Features	Arterial street, north side of city

Sale Data

Grantor	Sveum Enterprises LTD
Grantee	CRR of Reedsburg, LLC
Sale Date	April, 2008
Recording Document	4420370
Conditions of Sale	Cash to seller; no concessions
Conveyance	Warranty Deed
Verification	Peter Sveum, seller

Sale Price	\$335,400
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Land Data

Zoning	B-2 (Now PB)
Topography	Level, clear
Utilities	In place
Shape	Rectangular
Corner	Yes
Street Improvements	In place
Planned Use	Commercial

Land Size Information

Gross Land Size	0.811 Acres, or 35,338 SF
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Indicators

Sale Price/Gross Acre	\$413,437
Sale Price/Gross SF	\$9.49

Remarks

Site fronts US Highway 51 to the west with good visibility, but no access. The sale closed in April 2008, but the offer was made in late 2007.

LAND SALE NO. 4



Property Identification

Record ID	2453
Property Type	Commercial
Address	2105 McComb Road, Stoughton, Dane County, WI
Locational Features	Visible from US Highway 51

Sale Data

Grantor	T4 Enterprises, LLC
Grantee	Great Wisconsin Credit Union
Sale Date	January, 2007
Recording Document	4273344
Conditions of Sale	Cash to seller; no concessions
Conveyance	Warranty Deed
Verification	Public record, Assessor

Sale Price	\$385,000
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Land Data

Zoning	PB
Topography	Level, clear
Utilities	In place
Shape	Mostly rectangular
Corner	Yes
Street Improvements	In place
Planned Use	Credit union

Land Size Information

Gross Land Size	0.812 Acres, or 35,371 SF
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Indicators

Sale Price/Gross Acre	\$474,134
Sale Price/Gross SF	\$10.88

Remarks

Site is located at the corner of McComb Road and Hoel Road but has good visibility from Highway 51 which is located immediately north of McComb Road.

LAND SALE NO. 5



Property Identification

Record ID	1748
Property Type	Commercial
Address	1641 East Main Street, Stoughton, Dane County, WI
Locational Features	Arterial street, outskirts of town

Sale Data

Grantor	Gregory G. Roche
Grantee	Thomas N. and Colleen A. Dryeson
Sale Date	July, 2005
Recording Document	4077911
Conditions of Sale	Cash to seller, no concessions
Conveyance	Warranty Deed
Verification	Appraisal files, Public record

Sale Price	\$109,000
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Land Data

Zoning	B-2 (now PB)
Topography	Level, clear
Utilities	In place
Shape	Rectangular
Corner	Yes
Street Improvements	In place
Planned Use	Commercial

Land Size Information

Gross Land Size	0.452 Acres, or 19,706 SF
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Indicators

Sale Price/Gross Acre	\$240,943
Sale Price/Gross SF	\$5.53

Remarks

Previously sold in July 2004 for \$88,500 or \$195,628/acre, \$4.49/square foot.

LAND SALE NO. 6



Property Identification

Record ID	2454
Property Type	Commercial
Address	834-900 Nygaard Street, Stoughton, Dane County, WI
Locational Features	Arterial street, north side of city

Sale Data

Grantor	Sveum Enterprises LTD
Grantee	Chad and Pam Properties, LLC
Sale Date	March, 2005
Recording Document	4043748
Conditions of Sale	Cash to seller; no concessions
Conveyance	Warranty Deed
Verification	Peter Sveum, seller

Sale Price	\$358,800
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Land Data

Zoning	B-2 (now PB)
Topography	Level, clear
Utilities	In place
Shape	Rectangular
Corner	No
Street Improvements	In place
Planned Use	Commercial

Land Size Information

Gross Land Size	1.177 Acres, or 51,258 SF
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Indicators

Sale Price/Gross Acre	\$304,915
Sale Price/Gross SF	\$7.00

Remarks

Site fronts US Highway 51 to the west with good visibility, but no access.

Vacant Land Sales Analysis Grid - As Unimpaired by Contamination

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Proximity:	N/A	1 Mile West	2 Miles Northwest	2.2 Miles Northwest	1.25 Miles West	1 Mile East	1.75 Miles Northwest
Date of Sale:	2/10	11/09	10/08	4/08	1/07	7/05 10%	3/05 10%
Terms of Sale:	Cash to Seller; No Concessions	Same	Same	Same	Same	Same	Same
Locational Features:	Good, arterial frontage	Little Superior -10%	Near Hwy. 51 25%	Hwy. 51 frontage, but less traffic volume 15%	Similar	Hwy. 51 frontage, but in area of less intensive uses 50%	Hwy. 51 frontage, but less traffic volume 15%
Zoning:	PB	Similar	Similar	Similar	Similar	Similar	Similar
Topography:	Slight slope, most clear	Level, clear	Level, clear	Level, clear	Level, clear	Level, clear	Level, clear
Utilities:	In place	Same	Same	Same	Same	Same	Same
Shape:	Irregular	Irregular	Rectangular -10%	Rectangular -10%	Mostly rectangular -10%	Rectangular -10%	Rectangular -10%
Corner:	Yes	No, cross easements 10%	Yes	Yes	Yes	Yes	No 20%
Street Improvements:	In place	Same	Same	Same	Same	Same	Same
Size (SF):	17,844	73,870	79,182	35,338	35,371	19,706	51,258
Other:	None	None	None	None	None	None	None
Sale Price/SF:	N/A	\$9.81	\$8.50	\$9.49	\$10.88	\$5.53	\$7.00
Net Adjustment							
Cumulative:	N/A	0%	0%	0%	0%	10%	10%
Additive:	N/A	0%	15%	5%	-10%	40%	25%
Adjusted Sale Price/SF:	N/A	\$9.81	\$9.78	\$9.96	\$9.79	\$8.52	\$9.63

Adjustment Criteria

Adjustments are both cumulative and additive. Cumulative adjustments are for economic elements, such as for date of sale and conditions or terms of sale so that the sale can be adjusted for current market conditions or cash equivalency of unusual sale terms or financing or sales concessions before additive adjustments, which are the physical elements affecting value, are made.

Cumulative Adjustments:

Date of Sale

Adjustments, if any, reflect market condition changes since the previous sale dates. This is the result of any market condition changes since the previous sale dates. Market conditions have generally deteriorated since late 2007 or early 2008 however Sale 1 is recent enough that an adjustment would not be required and this sale supports no adjustments to Sales 2-4. An upward adjustment is however supported for Sales 5 and 6.

Terms of Sale

All sales were cash to seller with no known buyer or seller concessions.

Additive Adjustments:

Locational Features

Sale 4 is most similar in location compared to the subject with good visibility from and essentially immediate proximity to US Highway 51 in an area of similar traffic volume as the subject. Sale 1 fronts US Highway 51 but in the busiest location in the city and is located in an area more intensively developed with commercial uses compared to the subject. This location is considered slightly superior to the subject. Sales 3 and 6 have frontage on US Highway 51 but less direct access and are located in an area of slightly lower traffic volume. Sale 5 is located on the east side of Stoughton which is more subtle in terms of commercial development. This sale requires a large adjustment but was only utilized to support the need, if any, for an adjustment for site size. The location adjustments are supported by Sale 4.

Zoning

All six land sales have the same commercial zoning as the subject.

Topography

The subject site has a slight slope to the east but not enough to warrant an adjustment.

Utilities

All comparable sales have all public utilities, including sewer and water, up to the land at the time of sale.

Shape

The subject site is not entirely rectangular, but more L-shaped. A developer familiar with the site indicated that shape has an impact on the utility, especially due to the small size of the site. He stated that acquisition of an adjacent parcel would be desirable for development of the subject site. The size of a building and potential building location on the site is restricted to some degree.

Sale 1 has an irregular shape but for additional support, we considered the following comparison of two commercial sites in Madison, Wisconsin which are very similar with the exception of shape. Both are located on Plaza Drive, almost directly across the street from each other.

We also considered two sales on Kipp Street in Madison. Both are slightly irregular in shape but one has a pipeline easement which restricts the utility of the site in terms of building placement. Although a little different than actual shape, this feature affects the utility of the site in a similar manner.

The comparisons are summarized below.

	8201 Plaza Dr	8234 Plaza Dr		3817 Kipp Street	3841 Kipp Street
Date of Sale:	4/03	5/04	Date of Sale:	8/06	2/07
Terms of Sale:	Same	Same	Terms of Sale:	Same	Same
Locational Features:	Good	Good	Locational Features:	Busines Park	Same
Zoning:	PUD SIP	C3L	Zoning:	PUD SIP	C3L
Topography:	Level, clear	Similar	Topography:	Mostly level, clear	Similar
Utilities:	In place	Same	Utilities:	In place	Same
Shape:	Mostly rectangular	Irregular 30%	Shape:	Little irregular	Similar
Corner:	No	No	Corner:	No	No
Street Improvements:	Same	Same	Street Improvements:	Same	Same
Size (SF):	210,748	133,294	Size (SF):	91,781	87,381
Other:	None	None	Other:	Easement	None -17%
Sale Price/SF:	\$9.07	\$6.94	Sale Price/SF:	\$3.72	\$4.50
Net Adjustment Cumulative:	0%	0%	Net Adjustment Cumulative:	0%	0%
Additive:	0%	30%	Additive:	0%	-17%
Adjusted Sale Price/SF:	\$9.07	\$9.02	Adjusted Sale Price/SF:	\$3.72	\$3.74

The first two sales on Plaza Drive support an adjustment of about 30% for irregular shape. The irregularity is however much more severe than that of the subject. The second set of sales on Kipp Street support an adjustment of 17% for the impact on utility.

It is our opinion that the irregular shape of the subject site has less impact on its overall utility and we have made a lesser adjustment of 10%.

Corner

Corner sites are more desirable as a result of providing better accesses. Sales 1 and 6 are not corner sites however Sale 1 has cross easements with the adjacent parcel to the east which improves access slightly. Both sales do require adjustments which are well supported by Sales 2-5.

Street Improvements

All street improvements of each comparable sale and the subject were in place at time of sale.

Size

A larger parcel sells for a lower unit (per square foot) price than a smaller parcel as a result of less demand. There is no support for an adjustment for size.

Other

There were no other factors that affected value.

Conclusion of Direct Sales Comparison Approach, As Unimpaired by Contamination

Sales 1 and Sale 4 tend to provide the best indication of value for the subject site since they are most similar in overall location. The adjusted sale price per square foot concluded by Sale 4 is well supported by Sales 2, 3 and 6.

Sale 5 tends to skew the value range slightly, but requires a much more subjective adjustment for location. This sale was included due to its more similar size compared to the subject.

With most weight placed on Sales 1 and 4, the subject site only is estimated to have a value of \$9.80 per square foot as though unimpaired by environmental contamination or:

$$17,844 @ \$9.80/\text{square foot} = \$174,871 \text{ rounded to } \$175,000.$$

The above valuation is based on the hypothetical condition that the subject property is unimpaired by environmental contamination and is unimproved with building and site improvements. We do however know that there is contamination on the subject site. Both appraisal methodology and interviews with market participants including buyers and brokers indicate that it is necessary to address the costs associated with remediation, risk to a buyer and stigma.

Further, it has been concluded that the highest and best use of the subject property is for redevelopment of the site with a commercial use other than a gas station and convenience store facility. This requires consideration of demolition costs.

Demolition Costs

We do know that demolition, removal of tanks and soil testing will cost \$30,000, all of which is required for future redevelopment of the site. These costs are thus considered necessary and direct adjustments to the value concluded for the subject property by the comparable sales as though vacant and unimpaired. Please note however that any costs associated with remediation or redevelopment that is reimbursable via Brownfield grants or other funding sources are non-compensable. We have addressed the availability of grants for the subject site after discussion of remediation costs which now follows.

Remediation Costs

The remediation costs associated with redevelopment of the subject site could range from a very low cost to over \$60,000 based on *known information*. These costs are dependent upon the proposed redevelopment. If contaminated soils are disturbed in the construction process they are required to be extracted and properly disposed of. The amount of soil extracted depends on the type of building constructed. For example, a building with a basement will require much more soil extraction than a building constructed on a slab. A cost estimate of about \$32,500 was provided to us by Lynn Bradley from General Engineering Company which reflects the approximate cost of removal of the upper four feet of soil in the entire known affected area. This would assume four-foot foundation walls. If a building is desired with a basement, the cost could well exceed \$60,000. If a building is constructed mostly out of the known affected area, the cost could be less than \$30,000. If no contaminated soils are disturbed, there could be very little costs.

Per a conversation with two representatives of the Wisconsin Department of Natural Resources, there is a strong possibility that a vapor extraction system would be required with building construction. The potential need for vapor extraction was acknowledged by Lynn Bradley with General Engineering however the costs for vapor extraction can also vary significantly. Ms. Bradley provided a range in potential cost of \$2000 to \$100,000+ however her understanding of the known contaminants would suggest costs at the low end of the range, from \$2000-\$10,000. She also stated the vapor extraction may not be required at all.

Additional monitoring of soils also may or may not be required. If new contamination is found, monitoring wells could be required for at least one year. The costs for such would likely be around \$20,000.

In conclusion, redevelopment of the subject site may require relatively minor costs or potentially very significant costs. It is however too speculative based on the data provided to conclude a specific cost for remediation until the subject's underground storage tanks are removed, additional soil testing is completed and soil excavation commences.

Available Grants/Funding to Aid in Site Assessment and Remediation

We have been informed by Lynn Bradley with General Engineering that the subject site is no longer eligible for PECFA funding.

We also know that the subject has been granted a Brownfield assessment grant. Per a glossary of terms found on the Environmental Law Institute website, Brownfield refers to an industrial or commercial property that remains abandoned or underutilized in part because of environmental contamination or the fear of such contamination. These are most often sites that have low concentrations of contamination which allows them to be reused once clean up has occurred. The Brownfield assessment grant which has been awarded to the subject property will cover up to \$30,000 in cost for the City of Stoughton only for building demolition, tank removal and soil testing however the City of Stoughton is required to match a minimum of 20% of the total cost or for the subject site, \$6000.

The City of Stoughton can opt to collaborate with the property owner for this demolition and assessment and it is not considered speculative that the City of Stoughton would be willing to do so. Based upon such, we feel there is little speculation that an owner of the subject property could indirectly obtain grant money in the amount of \$30,000, less the 20% match, to assist in building demolition, tank removal and soil testing.

Linda Hanefeld with WDNR stated that there are additional Brownfield grants which would assist a local government unit with future remediation costs for redevelopment of the site. This was corroborated with Lynn Bradley with General Engineering. Both indicated that the subject site meets much of the criteria for eligibility of available Brownfield grants and that there is high probability that much of the remediation costs associated with redevelopment of the subject site could be covered. This would result in little out-of-pocket costs to the City of Stoughton. Ms. Hanefeld stated that these grants are not available to a private owner.

There are some federal grants or funding sources available to aid private owners; however, Ms. Hanefeld stated that funding is very competitive and often based on the quality of the grant application. She felt that it is speculative to believe that significant, or any, funding would be available for a private owner.

This would preclude many buyers from purchasing the subject site. Our interviews with market participants revealed the local municipality is most often the only buyer for a contaminated site in this state of development since the risk is too high to anyone else. It has been concluded that the City of Stoughton will have remediation cost reimbursement options that could cover all or most remediation costs associated with redevelopment of the subject site. The only known cost to the City of Stoughton at the current time is the \$6000 match required for the Brownfield assessment grant discussed previously.

In conclusion, no additional deductions are made from the value of the subject site as unimpaired for future remediation costs based on the assumption that the City of Stoughton is a typical purchaser of the subject property and that grants are available to cover all or most future remediation costs associated with the redevelopment.

Risk

Our interviews with market participants revealed that there is significant risk to a buyer of the subject property in its current condition.

The additional risks to a buyer include,

- The potential for excessive remediation costs or costs not covered by Brownfield grants.
- The timing of remediation.
- The potential for new contamination from the existing underground fuel tanks which have not been used inspected or monitored for a reported period of at least five years.
- The potential for leaching of known contamination outside the affected area reported on the Department of Commerce a map provided in an environmental study completed by Sigma Environmental Services dated 3/16/2000.
- The potential for leaching onto adjacent sites resulting in off-site impacts.

If the subject is owned by a local government unit, including the City of Stoughton, the current Brownfield status also provides an exemption to the local government unit from liability for future remediation of additional contamination, either from the known source or from a new petroleum source or for any off-site impact, unless the spill is caused by action taken by the municipality.

Linda Hanefeld with the Wisconsin Department of Natural Resources stated that this exemption is non-transferrable. Further, this exemption is not available to a private investor. There are exemptions available to private owners for future liability of an existing source but only after closure has been granted. The private owner is however responsible for remediation costs and all consulting and document review needed for application for this exemption. Further, this exemption for a private owner is only related to the contaminants found and remediated. If a new release happens, it would not be covered by the exemption.

Based upon this information, the liability is also reduced for a local government unit as opposed to a private owner. Since the appraisal is based on the extraordinary assumption that the City of Stoughton is a typical purchaser of the subject property, we have made no additional discounting for risk.

We feel that it is very important to note however that risk factors to a buyer other than a local government unit are much greater and could significantly impact the purchase price of the subject site in its current, impaired condition. The following information provides the basis for this conclusion.

- John Walsh with Lee & Associates stated that the risk associated with purchasing a site like the subject, with uncertainty of both existing contamination and potential additional contamination, would be high and felt that there would be few, if any buyers for such a site.

A developer from Oregon, Wisconsin has purchased formerly contaminated sites for redevelopment but he also had little, if any, liability associated with the contamination. He is very familiar with the subject site and indicated that he felt a buyer's risk at this stage of redevelopment would be very high.

Both of these market participants stated that they would consider the cost of the site as though unimpaired, would address the costs required for cleanup of contaminated soils and assess their future risk. They both expressly stated that the site could have little value, potentially zero.

- We also spoke at length with a buyer of a gas/service station facility in Hazel Green, Wisconsin. This is an old sale, occurring approximately nine years ago. The buyer purchased the property prior to remediation however he required indemnification by the seller for all existing and future liability from the contamination. The buyer, Steve Symons, stated that the sale price was below market for two reasons, 1) he had a long term working relationship with the seller and 2) he purchased prior to remediation which would interrupt his operations at the facility. He also stated that the fact that the remediation was not completed and in fact had not been started did impact the purchase price although he was not able to quantify exactly how much. He reported that the purchase could have been as much as 50% below market but attributed some of that to his relationship with the seller. The actual purchase price was about \$32,000. He did state that he would not have purchased the property if he had any liability for remediation. The initial cost to clean up was expected to be between \$60,000 and \$70,000. Once remediation commenced, there was more extensive contamination than originally anticipated and the costs well exceeded \$100,000. His opinion of market value at the time was around \$65,000 or about twice the purchase price.
- Further, we spoke with a buyer (Brian Monroe with Earthbound Development) of a contaminated industrial property in Glendale Wisconsin. This is a developer who reported to us that he purchased a site for \$375,000 and that the purchase price was "significantly" discounted as a result of the contamination for which he assumed all liability from the seller.
- Three interviewees stated that a site like the subject property could have minimal or zero value to a buyer who would assume all liability from the seller.

- We also contacted area lenders with regard to financing contaminated sites. None of the lenders we interviewed were willing to lend on contaminated sites due to their exposure to the risk of future liability by becoming part of the chain of title. Once remediation is complete, lending options become available however often the loan to value ratio is much lower than non-impaired properties. One lender stated that they recently provided financing for a “closed” site with remediation complete and were willing to do so due to the strength of the borrower and because the loan to value ratio was only 40%. There is more willingness to lend if a site is PECFA eligible. As stated, the subject site is no longer eligible for PECFA funding.

It is clear to us that if there was a buyer other than a municipality, the value of the subject property in its current impaired condition could be substantially lower.

Environmental Stigma

Environmental Stigma is the adverse effect on value resulting from the market’s perception of increased risk due to contamination. Stigma can occur with known contamination or even perceived contamination.

Our research has concluded that once remediation is complete and especially if remediation was PECFA funded, there was little stigma associated with purchased properties. Two real estate agents, John Walsh with Lee & Associates, and Les Benedict with Metro Brokers, corroborated this claim. Both have been actively involved in the sale of former gas station sites which were purchased for redevelopment. John Walsh has purchased two such sites previously mentioned, one in Sun Prairie and one in Berlin, Wisconsin. He was not responsible for remediation in either instance but reported no stigma associated with the purchase of either site.

We are also personally aware of a site in Janesville, Wisconsin located at 1950 Center Avenue that sold in September 2006 for redevelopment with a Family Video store. At the time of sale, the site was improved with a closed gas station, convenience store and car wash facility. The purchase price was \$365,000 or \$13.41/square foot for this 27,225 square foot site. The buyer incurred demolition costs of about \$35,000 additionally all remediation was completed by the seller (cost was about \$25,000). Although this is a prime corner location, the sale price at \$13.41/square foot reflects a value significantly higher than any other sales that occurred along Center Avenue in recent years.

A land sale located less than one block from this site sold in November 2004 for \$3.10/square foot for construction of a Dollar General store. Commercial land values were increasing in Janesville at the time but not more than 5% annually. This site was also not a corner site and the location slightly off the busy intersection is inferior to the Family Video site however the Family Video site sold for about \$11.60/ square foot more (including demolition costs) or 4.74 times greater than the 2004 sale.

Both were considered arms length transactions and both had been actively marketed for sale.

We also spoke with an appraiser from the Milwaukee area that has been involved in the appraisal of contaminated sites and is currently appraising a contaminated industrial property in Wisconsin. He also confirmed the same finding that, except in extreme cases, buyers are associating minimal if any stigma with contaminated sites once remediation has been completed, closure has been granted and it can be confirmed that necessary measures have been taken to eliminate health hazards.

Based upon, there is no market support for additional discounting for stigma.

Summary of Discounting for Remediation Costs, Environmental Risk and Stigma

We have concluded based upon the information discussed on the previous pages that the only non-reimbursable costs for demolition of buildings, tank removal, soil testing and remediation is \$6000 which is a required match by the City of Stoughton to receive the Brownfield assessment grant. Any additional costs associated with future remediation are speculative at the current time and, based upon the extraordinary assumption that the City of Stoughton is a typical purchaser of the subject property and that their out-of-pocket costs will not exceed the \$6000 amount provided to us by Lynn Bradley at General Engineering Company.

Due to the special use nature of the subject improvements, the reported fair to poor condition of any potential equipment on site, the uncertain condition of the underground storage tanks and the reported asbestos within some of the building components, it is our opinion that there is no salvage value related to equipment or building components.

Based upon such data the compensation due to the property owner is concluded as follows.

Unimpaired Market Value of Subject Site	\$175,000
Less Cost for Building/Site Improvement Demolition, Tank Removal, Soil Testing and Remediation	(\$6,000)
Total Compensation Due	\$169,000

Indicated Compensation due to the Subject Property Owner therefore is \$169,000.

RECONCILIATION AND FINAL OPINION OF COMPENSATION

The type of rationale of typical buyer and seller transactions for unimpaired commercial sites is best supported by comparable sales, such as in the Direct Sales Comparison Approach. Although several adjustments are required we feel that these are reasonably supported either mutually by the comparable sales utilized or by additional market evidence.

After interviews with buyers of contaminated parcels, real estate brokers who are actively involved with the sales of contaminated parcels, other appraisers and representatives from the Wisconsin Department of Natural Resources, engineering consultants, etc. we feel that the cost and risk factors which impact value are adequately addressed.

In conclusion, we have formed an opinion that the total compensation due to the property owner as a result of a full fee acquisition of the subject property as of February 24, 2010, was,

One Hundred Sixty-Nine Thousand Dollars (\$169,000).

Our opinion of total compensation due is based on the following extraordinary assumptions:

- 1) The City of Stoughton represents a typical purchaser of the subject property.***
- 2) The out-of-pocket costs for building and site improvement demolition, underground storage tank removal, soil testing and future remediation does not exceed \$6,000.***
- 3) The physical information for the subject site and the improvements as reported to us by others is true and correct.***
- 4) The costs estimates for building demolition, tank removal, soil testing and remediation as provided to us from Lynn Bradley, General Engineering Company are accurate.***

EXPOSURE TIME

Exposure time is “the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.”

Source: USPAP, 2010-2011 Edition, Effective January 1, 2010, STATEMENT No. 6

Estimated exposure time of the subject property as though unimpaired by contamination, at our opinion of the unimpaired market value, is one year or less considering a reasonable and diligent effort has been made to market the subject property. This is based upon historical exposure times of comparable property in the subject market.

The appraisers have based this rationale primarily upon the sales history of comparable sales provided in this report, which generally were offered for sale prior to their sale date for a period of more or less time than one year. This amount of time overall is considered a reasonable interval to prudently market the subject property as though unimpaired by contamination, accept a reasonable offer after negotiations and proceed toward the sale closing, which may include environmental studies and other normal contingencies in a purchase offer.

The exposure time for the subject property as impaired by contamination could well exceed one year.

MARKETING TIME

Marketing time is “an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.”

USPAP, 2010-2011 Edition, Effective January 1, 2010, Advisory Opinion 7

Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, “Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions” address the determination of reasonable exposure and marketing time.)

Source: The Dictionary of Real Estate Appraisal, Fifth Edition

Estimated marketing time of the subject, at our opinion of the market value of the subject property as unimpaired by contamination, is one year or less considering a reasonable and diligent effort has been made to market the subject property.

The appraisers have based this rationale in part upon the sales history of comparable sales provided in this report, which generally have sold in more or less time than the one year period, but also based on opinions of market participants as to typical marketing periods for this type of property. Based upon such, a period of about one year is also considered a reasonable interval to prudently market the subject property as of unimpaired by contamination, accept a reasonable offer after negotiations and proceed toward the sale closing, which may include environmental studies and other normal contingencies in a purchase offer.

The marketing time for the subject property as impaired by contamination could well exceed one year.

APPRAISER QUALIFICATIONS FOR LAURI J. MALDONIS

BORN:

December 23, 1967, Beloit, Wisconsin.
Lifelong resident of the Southern Wisconsin area.

EMPLOYMENT/EXPERIENCE:

Ms. Maldonis has been engaged in the real estate appraisal profession since August 1992 as an associate appraiser, as a Wisconsin Certified Residential Appraiser since September 1994 and as a Wisconsin Certified General Appraiser since February 2000. She is employed by L.A. Duesterbeck & Associates, Inc., formerly Modern Appraisal Services, Inc., Janesville, Wisconsin, a real estate appraisal firm owned by Mr. Linn Duesterbeck, MAI. Ms. Maldonis' experience includes a range of assignments of residential and non-residential properties including industrial properties, various commercial facilities, all types of vacant land, farms, multi-family and single-family residences in Rock, Walworth, Dane and Jefferson Counties as well as other Wisconsin locations. Ms. Maldonis has had experience appraising residential subdivisions, both single-family and mixed use developments including condominium developments. Ms. Maldonis has also had experience in appraising special purpose properties such as gas station/convenience store facilities, assisted living centers, golf courses, hotels/motels and schools/colleges.

EDUCATION:

Summa Cum Laude Graduate of University of Wisconsin-Stout.
Bachelor of Science Degree, Hotel/Restaurant Management. 1990.

Successfully completed the following Appraisal Institute Courses:

- Courses 110 and 120, Appraisal Principles and Appraisal Procedures, in August 1993
- Standards of Professional Appraisal Practice, Part A in February 1994
- Courses 310 and 320, Basic Income Capitalization and General Application Procedures and Techniques, in January-February 1995
- Course 510, Advanced Income Capitalization, in December 1995
- Course 520, Highest and Best Use Analysis, in March 2001
- Course 710, Condemnation Appraising; Basic Principles and Applications, in July 2001
- Course 420, Business Practices and Ethics, in February 2005
- Course 530, Advanced Sales Comparison Approach and Cost Approach, September 2007

Also attended seminars on various topics including USPAP, subdivision analysis, multi-family accelerated processing, internet strategies for appraisers, apartment appraisal, industrial valuation, small hotel/motel valuation, leased fee analysis, special purpose properties, highest and best use analysis and regional market symposiums. Recent seminars include Contemporary Issues in Condemnation Appraisal in April 2004, Appraising Convenience Stores in December 2005 and USPAP Update in October 2009.

PROFESSIONAL AFFILIATIONS/LICENSE:

Wisconsin Certified General Appraiser, No. 1044
Illinois Certified General Appraiser No. 553.001792

APPRAISER QUALIFICATIONS FOR LINN A. DUESTERBECK

BORN:

March 2, 1951, Janesville, Wisconsin.

Lifelong resident, Janesville and Milton, Wisconsin

EMPLOYMENT:

- President, L.A. Dueterbeck & Associates, Inc. and L.A. Dueterbeck & Associates of Appleton, LLC*
- President, Modern Appraisal Services, Inc. (1973-2000)
- Vice President, Dueterbeck Realty (1972-1973)
- President, LAMP Development, LLC
- Partner, Stonefield North, LLC and DT Investments

* L.A. Dueterbeck & Associates is a full-service appraisal and real estate analytical company involved in real property valuation and financial and feasibility analysis with offices in both Janesville and Appleton, Wisconsin with a staff of six appraisers and five support staff.

EXPERIENCE:

- Full-time real estate appraiser since 1973
- Former carpenter, builder and developer
- Sold and purchased real estate of various types since 1973
- Developer of the following:
 - Canyon Colonial Apartments, a 24-unit apartment complex in Janesville, Wisconsin
 - Stonefield Office Center, a 21,500 square foot multi-tenant office complex in Janesville
 - Stonefield Glen Condominiums in Janesville, Wisconsin
 - Sunset Acres, a residential subdivision on Lake Koshkonong, Wisconsin
- Guest instructor at various local colleges and technical schools on real estate appraisals
- Has been involved in nearly every conceivable type of real property valuations, including thousands of single-family residences, multi-family units, commercial, industrial, agricultural and special use properties
- Major recent assignments have included large industrial plants, self storage facilities, gas station and convenience stores, office buildings, golf courses, motels, shopping centers, schools and medical facilities
- Expert witness on many occasions in courts throughout southern Wisconsin since 1973
- Experienced condemnation appraiser involving a number of whole and partial takings

PROFESSIONAL DESIGNATIONS/AFFILIATIONS:

- Appointee, State of Wisconsin Real Estate Appraisers Board 1990-98; Chairperson 1994-95; Received Certificate of Commendation from Governor Thompson for effort and commitment of excellence
- Wisconsin Certified General Appraiser #4
- Delegate, Wisconsin Appraisers Coalition (1989-90)
- MAI, Certificate Number 9920, Appraisal Institute
- SRA, Senior Residential Appraiser since 1975, Appraisal Institute
- Past Director, Appraisal Institute, Wisconsin Chapter
- Director-President from 1980-84, Madison Chapter #72, Society of Real Estate Appraisers; also served as chairman of candidate guidance, ethics and professional standards committees
- Licensed Real Estate Broker
- Graduate Milton College, BBA (Business)

LIST OF MOST RECENT MAJOR CLIENTS SERVICED

AnchorBank, Wisconsin
Amcore Bank, Wisconsin and Illinois
Associated Banc-Corp
Bank of Lake Mills
Bank of Milton
Community Bank, Delavan
First American Credit Union
First Community Bank, Milton
First National Bank & Trust, Beloit
Johnson Bank, Wisconsin
JP Morgan Chase Bank
M & I Bank, Wisconsin
Mid America Bank, Footville and Janesville
Peoples Bank
US Bank Corporation, Wisconsin
Wells Fargo
Major law firms throughout Wisconsin
Local municipalities and county governments
Wisconsin Department of Natural Resources
State of Wisconsin

MAJOR APPRAISAL ASSIGNMENTS RECENTLY COMPLETED

Apache Stainless Equipment Corporation, Beaver Dam
Gandrud Motor Company, Green Bay
CMD Corporation, Appleton
Rainbow Springs, Mukwonago
Quad Graphics Conservation Easement, Town of Erin
Collinwood Elderly Care CBRF, Orfordville and Brodhead
Scenic Ridge Campground, Whitewater
Frank Brothers Quarries and Pits, Rock County
Algoma Storage, Oshkosh
Northgate Plaza, Janesville
Wisconsin Oven Corporation, East Troy
Sterling Plaza, Shawano
Gage Marine, Delavan
Plaza Furniture, Janesville
Family Dollar, Evansville
Bethesda Lutheran Home and Services, Inc., Watertown
Avalon Papers, Oshkosh
Plaza Square Strip Center, Wautoma
Clover Industries, Wausau
Northwest Illinois Aggregates, LLC, Dixon, Illinois
Mid State Truck Service, Marshfield
Evergreen Village Mobile Home Park, Platteville
Wisconsin Cheese Group, Monroe
Bristol Equestrian Horse Farm, Sun Prairie
Middleton Airport Terminal, Middleton
Epistles of Christ Church, Milwaukee
Brunk Industries, Lake Geneva
Convenience store and self-service gas stations throughout Wisconsin
Multi-family facilities throughout Wisconsin
Residential Subdivisions throughout Wisconsin
Numerous public and private golf courses throughout Wisconsin
Over ten million square feet of warehouse and industrial space annually